

Message Text

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ACTION EB-07

INFO OCT-01 AF-08 EUR-12 EA-07 NEA-10 ISO-00 CAB-02
CIAE-00 COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 CIEP-01
FAA-00 /055 W
-----200905Z 108594 /20

R 200447Z JAN 77
FM AMEMBASSY SEOUL
TO SECSTATE WASHDC 1629
INFO AMEMBASSY PARIS
AMEMBASSY BONN
AMEMBASSY PRETORIA
AMEMBASSY THE HAGUA
AMEMBASSY BRUSSELS
AMEMBASSY NEW DELHI
AMEMBASSY ROME
AMCONSUL FRANKFURT
AMCONSUL DURBAN
AMCONSUL JOHANNESBURG
AMCONSUL AMSTERDAM
AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMCONSUL CAPETOWN

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EO 11652: N/A
TAGS: EAIR
SUBJ: CIVAIR - AIRBUS ECONOMICS/RELIABILITY

REF: STATE 5609

1. FOLLOWING INFORMATION REGARDING AIRBUS WAS OBTAINED
DURING SEVERAL DISCUSSIONS WITH KOREAN AIR LINE (KAL)
PERSONNEL INCLUDING LEE, CHUNG KWAN, DEPUTY GENERAL
MANAGER, PLANNING AND MANAGEMENT, AND CHUNG, S.C.,
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ASSISTANT GENERAL MANAGER, ENGINEERING DEPARTMENT.

2. KAL HAS AT PRESENT FIVE AIRBUS A-300 MODEL B-4,
WITH AN ADDITIONAL ONE SHCEDULED FOR DELIVERY IN
MARCH. KAL FINDS THE AIRCRAFT MOST SUITABLE FOR
SHORT AND MEDIUM RANGE FLIGHTS. ITS BEST FLIGHT
RANGE, FULLY LOADED, IS ABOUT 1,800 MILES. ROUTES

IN WHICH KAL UTILIZES THE AIRBUS AT THIS TIME ARE SEVEN. THE SHORTEST IS PUSAN TO FUKUOKA; THE LONGEST SEOUL-BAHRAIN. IT HAS BEEN FOUND TO BE UNECONOMIC ON THE LATTER ROUTE BECAUSE OF THE NECESSITY FOR SEVERAL REFUELING STOPS.

3. KAL OFFICIALS FIND THE AIRBUS TO BE VERY DEPEND-ABLE AND RELIABLE ON SHORT AND MEDIUM RANGE ROUTES. NO FLIGHTS HAVE BEEN CANCELLED FOR TECHNICAL PROBLEMS. THE MOST FREQUENT ADVERSE COMMENTS RELATED TO THE PLANE'S COMMUNICATION AND NAVIGATION SYSTEMS. IT WAS NOTED THAT PARTS OF THE COMPUTER SYSTEM IN THE AUTOMATIC FLIGHT CONTROL SYSTEM WEARS OUT MORE EASILY THAN IN OTHER PLANES. IN ADDITION, THE RATE FOR MTBU (MEANTIME BETWEEN UNSCHEDULED REMOVAL) IS HIGH WITH THE ELECTRONIC SYSTEM, ABOUT TWICE AS MUCH AS FOR A DC-10. IT WAS ALSO FELT THAT THE ENGINE WAS TOO HEAVY, BUT THIS WAS A COMMON PROBLEM FOR MOST PLANES. NO SERIOUS DEFECTS HAVE BEEN FOUND IN THE MAIN STRUCTURE BUT SOME CRACKS HAVE APPEARED IN THE SUB-STRUCTURE, NOT SERIOUS ENOUGH, HOWEVER, TO BE A SAFETY HAZARD.

4. KAL OFFICIALS ADMITTED THEIR PURCHASES ARE BASED PRINCIPALLY ON THE AIRCRAFTS' COST AND PAYMENT SCHEDULES RATHER THAN PRIOR CALCULATIONS OF ECONOMIC AND/OR PROFIT PROJECTIONS. GENERALLY, THE AIRBUS HAS BEEN FOUND MOST PROFITABLE ON MEDIUM RANGE ROUTES. FOLLOWING ARE REVENUES AND COST OF LIMITED OFFICIAL USE

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AIRBUS SERVICE DURING THE FIRST THREE QUARTERS OF 1976:
INTERNATIONAL ROUTES
(UNIT \$1,000)

	1ST QUARTER	2ND QUARTER	3RD QUARTER
REVENUE	7,587	11,938	13,812
COST	7,722	10,494	12,803
BLOCK FLIGHT HOURS	1,429:09	1,982:34	2,532:21

DOMESTIC ROUTES

REVENUE	61	258	453
COST	71	279	721
BLOCK FLIGHT HOURS	19:16	88:02	196:02

5. ALL OFFICIALS HAD HIGH PRAISE FOR THE MANUFACTURERS' SUPPORT FROM THE AIRBUS INDUSTRY. TECHNICAL SUPPORT IS CONSIDERED EQUAL TO U.S. MANUFACTURERS, WHILE OBTAINING SPARE PARTS IS EVEN BETTER. IT WAS POINTED OUT U.S. COMPANIES REQUIRED PAYMENT PRIOR TO SHIPMENT OF PARTS WHILE AIRBUS OFFERED A DEFERRED PAYMENT PLAN.

IN ADDITION, SPARES WERE OBTAINABLE WITHIN TWO WEEKS
FOR AIRBUS WHILE IT TOOK FOUR TO FIVE WEEKS TO OBTAIN
SIMILAR ITEMS FROM U.S. SUPPLIERS. AIRBUS PRESENTLY
HAS FIVE TECHNICAL PERSONNEL WORKING WITH KAL IN SEOUL.
SNEIDER

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Sent Date: 20-Jan-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 22 May 2009
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